

# News

United States  
Department  
of Labor



Bureau of Labor Statistics

Philadelphia, Pa. 19106

Internet address: <http://stats.bls.gov/ro3news.htm>

INFORMATION: Gerald Perrins  
(215) 597-3282

PLS - 3835

FOR RELEASE:

MEDIA CONTACT: Sheila Watkins  
(215) 861-5600

THURSDAY, AUGUST 23, 2001

## **AVERAGE ANNUAL PAY IN WEST VIRGINIA, 1999**

Annual pay in West Virginia averaged \$26,018 in 1999, increasing 2.9 percent over the year, according to the U.S. Department of Labor's Bureau of Labor Statistics. Sheila Watkins, regional commissioner of the Bureau in Philadelphia, noted that West Virginia's pay level was below both that for the nation (\$33,340) and the South Atlantic division<sup>1</sup> (\$33,048) (See table 1.) The State's pay level was the 44th highest among all states and the District of Columbia. Since 1982, West Virginia's pay level has lagged behind the U.S. average with the differential increasing from less than 1 percent in 1982 to 22 percent in 1999.

Average pay in the South Atlantic division grew at a 4.1 percent pace in 1999 compared to 4.4 percent nationally. At 5.3 percent, Virginia had the fastest growth rate the South Atlantic (and fifth fastest in the nation), followed by the District of Columbia at 5.0 percent. Florida's 2.7 percent pace was the slowest in the division and tied for sixth lowest nationwide. Within the division, pay levels exceeded the nationwide average in the District of Columbia (\$50,885), Delaware (\$35,157), and Maryland (\$34,489). In the other five states, annual pay ranged from a low of \$27,132 in South Carolina to \$33,025 in Virginia.

Half of the 14 areas in the U.S. where the average pay level surpassed the national average fell in a contiguous band along the east coast stretching from Massachusetts to the District of Columbia. The five highest pay levels nationwide were in the District of Columbia (\$50,885), Connecticut (\$42,682), New York (\$42,179), New Jersey (\$41,038), and Massachusetts (\$40,352). (See chart A.) The five states with the lowest annual pay in 1999 – Montana, North Dakota, South Dakota, Mississippi, and Arkansas – have posted the five lowest annual pay figures every year since 1988. Pay in those states ranged from \$23,260 to \$25,371. (See table 1.)

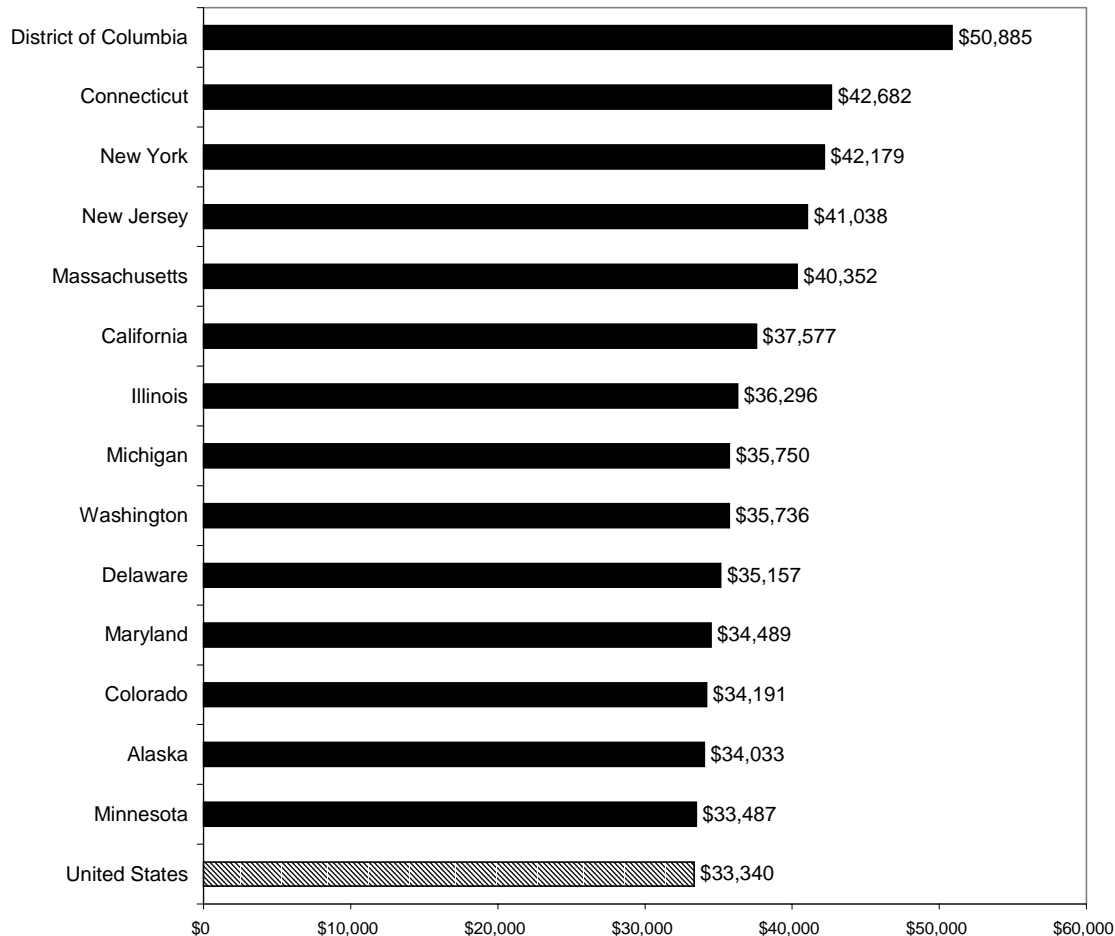
Less than one-quarter of the states had percentage increases in annual pay that exceeded the 4.4 percent growth rate in the United States. The fastest rate of increase in the nation – 8.0 percent – was in Washington. Massachusetts (6.8 percent), California (6.3 percent), and Colorado (6.0 percent) were the only other states that had percentage increases of 6 percent or more. At 0.5 percent, Alaska registered the smallest increase in pay as it has every year since 1995. Other states with low rates of pay growth were Louisiana (1.1 percent), New Mexico (2.2 percent), Mississippi (2.4 percent), and Hawaii (2.6 percent). Except for Hawaii, the 1999 growth rate for each of these states was lower than in 1998. No state reported a decline in pay in 1999.

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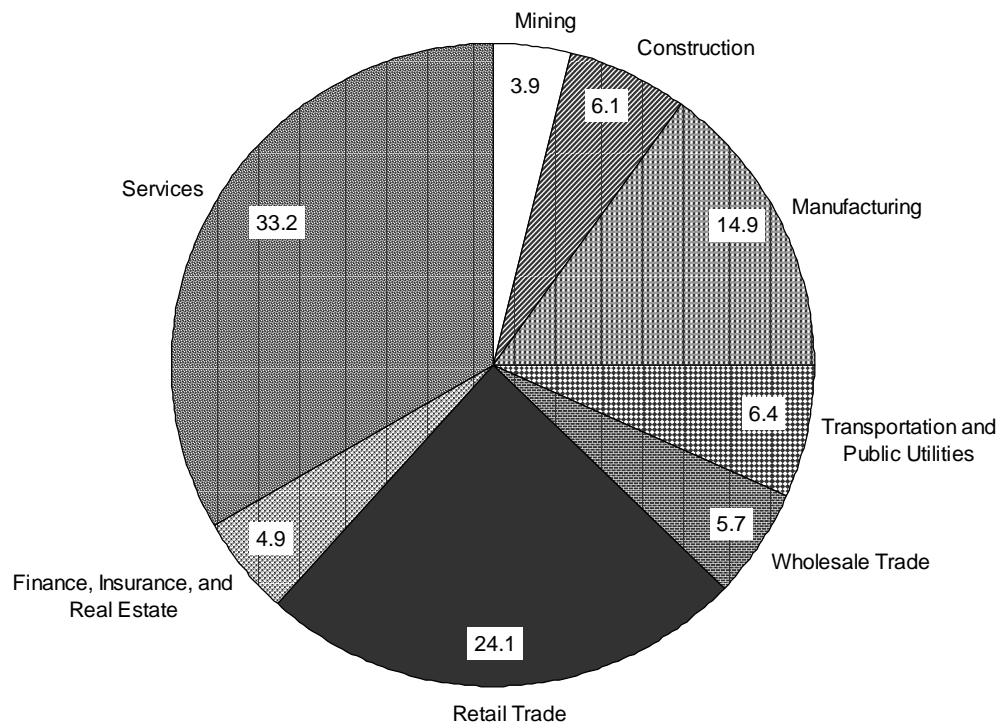
<sup>1</sup> The South Atlantic division referenced in this release corresponds to the Census definition and is comprised of 8 states (Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia) and the District of Columbia.

Annual pay data are compiled from reports submitted by employers subject to state and federal Unemployment Insurance (UI) laws which cover 122 million full- and part-time workers nationwide. Average annual pay is computed by dividing total annual payrolls of employees covered by UI programs by the average monthly number of these employees. (See Technical Note.) Pay differences among states reflect the varying composition of employment by occupation, industry, and hours of work, as well as other factors. Similarly, over-the-year pay changes may reflect shifts in these characteristics, as well as changes in the level of average pay.

**Chart A. Average annual pay for the District of Columbia and states exceeding U.S. level in 1999**



Annual pay in West Virginia's private sector industries, which comprised 81 percent of the work force, averaged \$25,497 in 1999, increasing 2.3 percent over the year. (Private industry employment excludes government workers.) Services was Virginia's largest industry division accounting for 33 percent of all private sector employment, followed by retail trade with 24 percent. (See chart B.) Percentage gains in all published industry divisions ranged from a low of 1.4 percent in mining to 5.1 percent in finance, insurance, and real estate. (See table 2.) Mining continued to be the highest paid industry, averaging \$47,626. Retail trade, with a large percentage of part-time workers, remained the lowest paid at \$13,873. Average annual pay for all West Virginia industries fell below their respective United States levels. Overall, private sector pay in West Virginia was almost \$8,000 under the national level of \$33,244.

**Chart B. Percent of 1999 private sector employment in West Virginia by industry**

Among West Virginia's seven metropolitan areas<sup>2</sup>, Washington, D.C.-Md.-Va.-W.V., led the State in pay averaging \$42,653 in 1999, 9th highest among the 316 metropolitan areas nationwide. (See table 3.) (The Washington, D.C. metro area includes Berkeley and Jefferson Counties in West Virginia.) It was the only metropolitan area in the State that had a pay level above the national metropolitan average of \$34,900. Charleston recorded the second highest pay level in West Virginia at \$29,114 and ranked 136th nationwide. In the remaining five metropolitan areas, annual pay ranged from \$26,806 in Parkersburg-Marietta (201st highest) to \$24,086 in Cumberland (285th).

The rate of growth in pay from 1998 to 1999 varied among the State's metropolitan areas with Wheeling (5.2 percent) and Washington, D.C. (5.0 percent) exceeding the nationwide average for all metropolitan areas (4.4 percent). The remaining five metropolitan areas all had annual pay increase of less than 2.5 percent, ranging from Charleston, at 2.3 percent, to Parkersburg-Marietta's 1.4 percent.

<sup>2</sup> Nationwide there are 316 metropolitan areas. The general concept of a metropolitan area is that of a core area containing a large population nucleus, together with adjacent communities that have a high degree of economic and social integration within that core. See Technical Note for criteria used in determining a metropolitan area.

Nationwide, San Jose, Calif., the hub of Silicon Valley, led the nation with an average annual pay level of \$61,117 in 1999. New York, N.Y., had the second highest pay level (\$52,444), followed by San Francisco, Calif. (\$50,119); New Haven-Bridgeport-Stamford-Waterbury-Danbury, Conn. (\$47,133); and Middlesex-Somerset-Hunterdon, N.J. (\$46,193). For the tenth straight year, Jacksonville, N.C., had the lowest average annual pay among metropolitan areas (\$20,278). The second lowest pay occurred in Yuma, Ariz. (\$20,362), followed by Brownsville-Harlingen-San Benito, Tex. (\$20,998); McAllen-Edinburg-Mission, Tex. (\$21,111); and Myrtle Beach, S.C. (\$21,701). These five areas had the lowest average annual pay in 1998 as well. From 1998 to 1999, 245 metropolitan areas experienced less than average pay growth (4.4 percent). Of these, four had growth of 1 percent; 16 grew less than 1 percent; and six reported a decline in average annual pay. The majority of these low growth/no growth metro areas were located in the South or Midwest, in particular, the states of Texas, Louisiana, Florida, and Iowa.

Data are also available for the nation's 305 large counties<sup>3</sup> (those with employment of 75,000 or more). Kanawha County, West Virginia's only large county, averaged \$29,239 in 1999, increasing 2.0 percent over the year. Kanawha's pay level ranked 210<sup>th</sup> nationally and its rate of pay growth, 259<sup>th</sup>. Elsewhere in the United States, New York County, N.Y., comprised entirely of the borough of Manhattan, continued to have the highest level of average annual pay at \$65,794, followed by the counties of Santa Clara, Calif. (\$61,117); Fairfield, Conn. (\$56,358); Loudoun, Va. (\$52,283); and Somerset, N.J. (\$52,105). The lowest average annual pay in the nation was reported in Cameron County, Tex. (\$20,998), followed by the counties of Hidalgo, Tex. (\$21,111); Horry, S.C. (\$21,701); Yakima, Wash. (\$22,402); and Tulare, Calif. (\$22,701). From 1998 to 1999, 224 of the largest counties in the United States experienced less than a 4.5 percent average growth in annual pay. Of these, three had growth of 1 percent, 14 experienced growth of less than 1 percent, and three reported a decline in average annual pay.

#### **NOTE**

Data presented in this release will differ from that previously published in the three Average Annual Pay releases issued in November and December 2000. Pay data in this release is no longer preliminary. In addition, data for New Jersey, which was unavailable at the time the national releases were issued, is now included in all series.

#### **TECHNICAL NOTE**

##### Background

These data are the product of a federal-state cooperative program in which State Employment Security Agencies (SESAs) prepare summaries of employment and total pay of workers covered by Unemployment Insurance legislation. The summaries are a by-product of the administration of state unemployment insurance (UI) programs that require most employers to pay quarterly taxes based on the employment and wages of workers covered by UI. Data for 1999 are preliminary and subject to revision.

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<sup>3</sup> A large county is defined as having an employment level of 75,000 or more; in some jurisdictions, independent cities are also included in the count. Altogether, there are 305 counties in the United States which meet this criteria.

## Coverage

Employment and wage data for workers covered by state UI laws and for federal civilian workers covered by the Unemployment Compensation for Federal Employees (UCFE) program are compiled from quarterly contribution reports submitted to the SESAs by employers. In addition to the quarterly contribution reports, employers who operate multiple establishments within a state complete a questionnaire, called the "Multiple Worksite Report," which provides detailed information on the location and industry of each of their establishments. Average annual pay data are derived from summaries of employment and wages submitted by states to the Bureau of Labor Statistics. These reports are based on place of employment rather than place of residence.

UI and UCFE coverage is broad and basically comparable from state to state. In 1999, UI and UCFE programs covered workers in 127.0 million jobs. The estimated 122 million workers in these jobs (after adjustment for multiple jobholders) represent 99 percent of wage and salary civilian employment. Covered workers received \$4.232 trillion in pay, representing 94.7 percent of the wage and salary component of personal income and 45.5 percent of the gross domestic product.

Major exclusions from UI coverage during 1999 included most agricultural workers on small farms, all members of the Armed Forces, elected officials in most states, most employees of railroads, some domestic workers, most student workers at schools, and employees of certain small nonprofit organizations.

## Concepts and methodology

Average annual pay is computed by dividing total annual pay of employees covered by UI programs by the average monthly number of these employees. Included in the annual payroll data are bonuses, the cash value of meals and lodging when supplied, tips and other gratuities, and, in some states, employer contributions to certain deferred compensation plans such as 401(k) plans and stock options. Monthly employment is based on the number of workers who worked during or received pay for the pay period including the 12th of the month. With few exceptions, all employees of covered firms are reported, including production and sales workers, corporation officials, executives, supervisory personnel, and clerical workers. Workers on paid vacations and part-time workers also are included. Percentage changes in average annual pay for 1999 were computed using final 1998 data as a base.

The ratio of full-time to part-time workers as well as the number of individuals in high-paying and low-paying occupations affects average annual pay. When comparing average annual pay levels between industries and/or states, these factors should be taken into consideration. Annual pay data only approximate annual earnings, because an individual may not be employed by the same employer all year or may work for more than one employer. Year-to-year changes in average annual pay can result from a change in the proportion of employment in high- and low-wage jobs, as well as from changes in the level of average annual pay.

Industry data in table 2 are for the private sector only. Average annual pay for employment in the private sector is presented by industry division as defined in the 1987 Standard Industrial Classification Manual. Government data for federal, state, and local establishments is also available but has not been included in this release.

A few covered employers provided insufficient information on the nature of their businesses to assign a specific SIC classification and therefore could not be classified by industry division. The wages for these nonclassifiable establishments, along with data for the agricultural division, are not shown separately, but are included in the averages for state and national totals.

The Office of Management and Budget (OMB) defines metropolitan areas for use in federal statistical activities and updates these definitions as needed each summer—data in this release use criteria established in definitions issued June 23, 1998 (OMB Bulletin No. 98-06). The 316 metropolitan areas in the United States, along with 6 in Puerto Rico, are a compilation of a set of areas classified as Metropolitan Statistical Areas (MSAs), Primary Metropolitan Statistical Areas (PMSAs) and Consolidated Metropolitan Statistical Areas (CMSAs). Generally speaking, a MSA consists of one or more counties and meets specified size criteria—either it contains a city of at least 50,000 inhabitants, or it contains an urbanized area of at least 50,000 inhabitants, and has a total population of at least 100,000 (75,000 in New England). A CMSA is a metropolitan area that has a population of at least 1 million and has been divided into two or more PMSAs. The CMSA comprises the same geographic area as its constituent PMSAs which are loosely defined as free-standing areas that have a population of at least 100,000.

County definitions are assigned according to Federal Information Processing Standards Publications (FIPS PUBS) as issued by the National Institute of Standards and Technology, after approval by the Secretary of Commerce pursuant to Section 5131 of the Information Technology Management Reform Act of 1996 and the Computer Security Act of 1987, Public Law 104-106. Areas shown as counties include areas designated as independent cities in some jurisdictions, and, in Alaska, those designated as census areas where counties have not been created.

#### Additional statistics and other information

Additional average annual pay data (or Covered Employment and Wages data) is available on the BLS Internet site at <http://www.bls.gov/cewhome.htm>. Data can be accessed in two ways, through Selective Access, which allows quick access to particular items, or via the special request FTP service, which allows access to extensive collection of flat text files. The Philadelphia Information Office can provide assistance accessing these files by calling (215) 597-3282.

This news release, along with other BLS statistics and information, is available via the Internet at the BLS World Wide Web site <http://www.bls.gov/ro3news.htm>.

BLS issues an annual report that provides data from state UI and UCFE programs. The comprehensive bulletin, Employment and Wages, Annual Averages, 1999, features information by detailed industry on establishments, employment, and wages for the nation and individually for each state. The report will be available for sale early this year from the Bureau of Labor Statistics Publications Sales Center, P.O. Box 2145, Chicago, Illinois 60690. Telephone orders using a credit card (MasterCard, VISA, Discover/NOVUS) or Government Printing Office Deposit Account are accepted at (312)353-1880 from 8 a.m. to 3 p.m. CT.

**Table 1. State average annual pay for 1998 and 1999 and percent change in pay for all covered workers <sup>1</sup>**

	Average annual pay		Percent change, 1998-99 <sup>2</sup>
	1998	1999	
UNITED STATES <sup>3</sup> .....	\$31,945	\$33,340	4.4
<b>South Atlantic Region<sup>4</sup> ....</b>	<b>31,751</b>	<b>33,048</b>	<b>4.1</b>
Alabama .....	27,042	28,095	3.9
Alaska .....	33,847	34,033	0.5
Arizona .....	29,322	30,525	4.1
Arkansas .....	24,425	25,371	3.9
California .....	35,348	37,577	6.3
Colorado .....	32,248	34,191	6.0
Connecticut .....	40,895	42,682	4.4
<b>Delaware.....</b>	<b>33,969</b>	<b>35,157</b>	<b>3.5</b>
<b>District of Columbia.....</b>	<b>48,462</b>	<b>50,885</b>	<b>5.0</b>
<b>Florida .....</b>	<b>28,184</b>	<b>28,935</b>	<b>2.7</b>
<b>Georgia.....</b>	<b>30,856</b>	<b>32,332</b>	<b>4.8</b>
Hawaii .....	29,036	29,794	2.6
Idaho .....	24,868	26,044	4.7
Illinois .....	34,715	36,296	4.6
Indiana .....	29,108	30,027	3.2
Iowa .....	26,026	26,953	3.6
Kansas .....	26,845	28,031	4.4
Kentucky .....	26,697	27,783	4.1
Louisiana .....	26,910	27,216	1.1
Maine .....	25,875	26,887	3.9
<b>Maryland.....</b>	<b>33,301</b>	<b>34,489</b>	<b>3.6</b>
Massachusetts .....	37,774	40,352	6.8
Michigan .....	34,521	35,750	3.6
Minnesota .....	32,075	33,487	4.4
Mississippi .....	23,822	24,391	2.4
Missouri .....	28,907	29,967	3.7
Montana .....	22,648	23,260	2.7
Nebraska .....	25,539	26,632	4.3
Nevada .....	30,203	31,213	3.3
New Hampshire .....	30,944	32,141	3.9
New Jersey .....	39,516	41,038	3.9
New Mexico .....	25,711	26,267	2.2
New York .....	40,684	42,179	3.7
<b>North Carolina.....</b>	<b>28,176</b>	<b>29,462</b>	<b>4.6</b>
North Dakota .....	22,990	23,751	3.3
Ohio .....	30,392	31,395	3.3
Oklahoma .....	25,122	25,813	2.8
Oregon .....	29,544	30,872	4.5
Pennsylvania .....	31,584	32,696	3.5
Rhode Island .....	30,156	31,169	3.4
<b>South Carolina.....</b>	<b>26,161</b>	<b>27,132</b>	<b>3.7</b>
South Dakota .....	22,751	23,767	4.5
Tennessee .....	28,462	29,478	3.6
Texas .....	31,515	32,898	4.4
Utah .....	26,873	27,895	3.8
Vermont .....	26,611	27,597	3.7
<b>Virginia.....</b>	<b>31,373</b>	<b>33,025</b>	<b>5.3</b>
Washington .....	33,076	35,736	8.0
<b>West Virginia.....</b>	<b>25,276</b>	<b>26,018</b>	<b>2.9</b>
Wisconsin .....	28,531	29,607	3.8
Wyoming .....	24,725	25,647	3.7

<sup>1</sup> Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.

<sup>2</sup> Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.

<sup>3</sup> Totals for the United States do not include data for Puerto Rico.

<sup>4</sup> The 8 states and the District of Columbia comprising the South Atlantic division are in bold-face type.

**Table 2. State and industry average annual pay in the U.S. and West Virginia for 1998 and 1999 and percent change in pay for all covered workers<sup>1</sup>**

State and industry	Average annual pay		Percent change In pay <sup>2</sup>
	1998	1999	
United States <sup>3</sup>			
Total.....	\$31,945	\$33,340	4.4
Total Private <sup>4</sup> .....	31,762	33,244	4.7
Mining .....	52,066	54,636	4.9
Construction .....	33,386	34,812	4.3
Manufacturing .....	40,092	41,941	4.6
Transportation, communications, and public utilities .....	39,345	41,786	6.2
Wholesale trade .....	41,831	44,185	5.6
Retail trade .....	16,810	17,602	4.7
Finance, insurance, and real estate .	48,641	50,910	4.7
Services .....	30,053	31,509	4.8
West Virginia			
Total.....	25,276	26,018	2.9
Total Private <sup>4</sup> .....	24,914	25,497	2.3
Mining .....	46,962	47,626	1.4
Construction .....	27,211	27,911	2.6
Manufacturing .....	34,793	35,703	2.6
Transportation, communications, and public utilities .....	35,159	36,582	4.0
Wholesale trade .....	31,076	32,329	4.0
Retail trade .....	13,460	13,873	3.1
Finance, insurance, and real estate .	26,728	28,083	5.1
Services .....	22,253	22,840	2.6

<sup>1</sup> Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.

<sup>2</sup> Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.

<sup>3</sup> Totals for the United States do not include data for Puerto Rico.

<sup>4</sup> Includes data for industries in addition to those shown separately.



**Table 3. Average annual pay for 1998 and 1999 for all covered workers<sup>1</sup> in West Virginia by metropolitan area**

Metropolitan areas <sup>3</sup>	Average annual pay			National ranking <sup>2</sup> by level of annual average pay, 1999
	1998	1999	Percent change, 1998-99 <sup>4</sup>	
All U.S. metropolitan areas <sup>5</sup> .....	\$33,423	\$34,900	4.4	---
Charleston, WV.....	28,468	29,114	2.3	136
Cumberland, MD-WV.....	23,696	24,086	1.6	285
Huntington-Ashland, WV-KY-OH.....	25,112	25,581	1.9	248
Parkersburg-Marietta, WV-OH.....	26,427	26,806	1.4	201
Steubenville-Weirton, OH-WV.....	26,355	26,739	1.5	205
Washington, DC-MD-VA-WV.....	40,623	42,653	5.0	9
Wheeling, WV-OH.....	23,589	24,805	5.2	268

<sup>1</sup> Includes workers covered by Unemployment Insurance (UI) and Unemployment Compensation for Federal Employees (UCFE) programs.

<sup>2</sup> Rankings are based on a comparison of data for 316 metropolitan areas nationwide. Data for metropolitan areas in all 50 states are included in this release. As a result, data here will differ from that previously published in the national release which was issued before data for New Jersey became available.

<sup>3</sup> Includes data for Metropolitan Statistical Areas and Primary Metropolitan Statistical Areas as of June 1999. See Technical Note.

<sup>4</sup> Percent changes were computed from unrounded average annual pay data and may differ from those computed using data rounded to the nearest dollar.

<sup>5</sup> Totals and rankings do not include the six metropolitan areas MSAs within Puerto Rico.